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**INTERNATIONAL OBSERVATORY OF
PERFORMANCE MANAGER 2017 RESULTS**

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IAFEI Quarterly



2017 Results

International Observatory of Performance Manager

1st March 2018

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International Observatory of Management Control - DFCG – Decision Performance Conseil
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Foreword

by **Philippe AUDOIN**, *Chairman of the DFCG*

"The impact of digitalization and big data is the main focus of the 2017 edition: more collaborative tools, more communication with operational staff and more predictive analysis. All these elements should allow controllers to spend less time collecting and analyzing data and more time communicating within the company to make better decisions."

It is with great pride that I share with you, on behalf of the DFCG, the 7th edition of the International Observatory of Management Control, produced by a Working Group of our association, in partnership with the consulting firm Décision Performance Conseil.

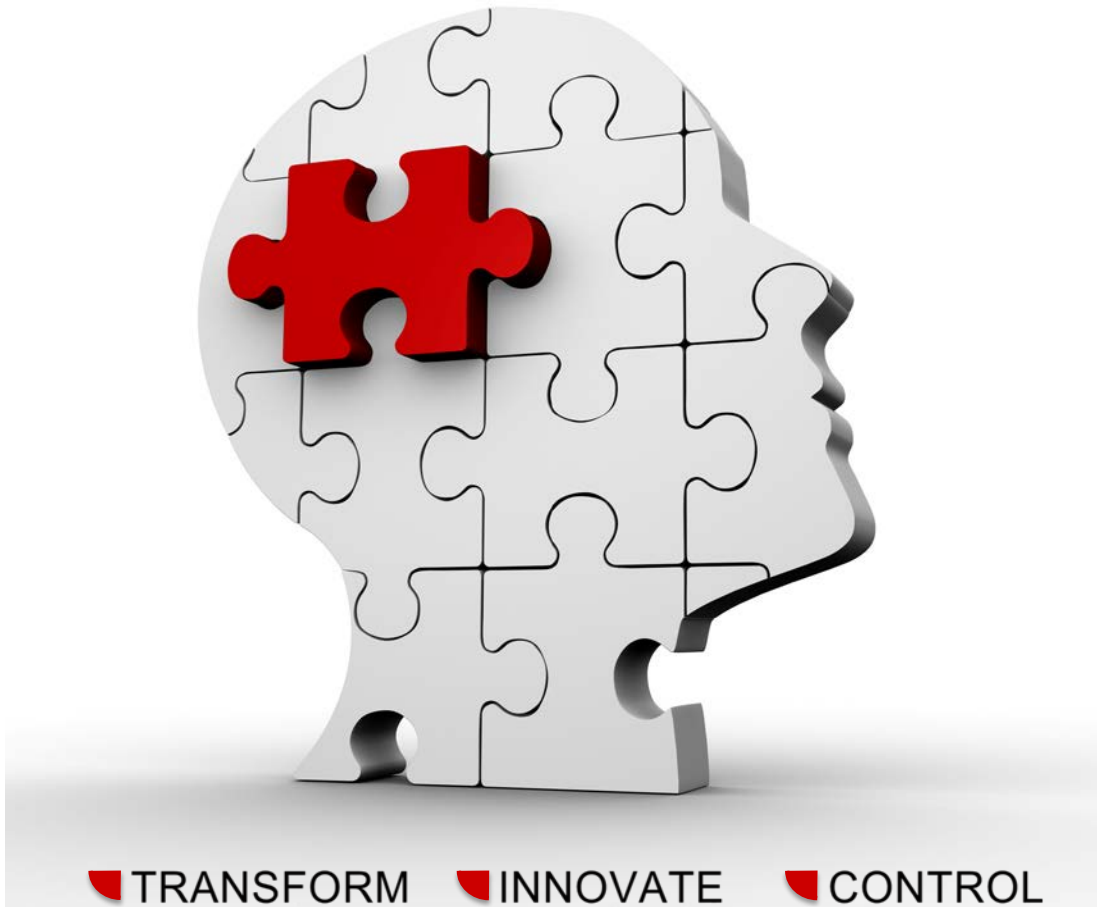
This unique study is always highly anticipated by members of the DFCG, whether national or regional, and, beyond, by the entire community of Management Controllers. Indeed, the DFCG has always analyzed the transformations at work in the management control profession and it continues to support professionals in a profoundly changing environment. We observed it this year again during the second "Management Control Symposium" which gathered more than a hundred professionals to exchange on the topic: "From the Management Controller to the Performance Manager: the inevitable revolution? ". Many answers were provided, through testimonials, expert contributions, peer discussions. "Performance Manager", the new name proposed by the profession last year to replace the enigmatic "Management Controller", is a profession undergoing a major transformation.

The DFCG is pleased to promote a profession experiencing an evolution which the International Observatory for Management Control allows to track year after year. Thanks to the large number of participating countries, it brings a global vision on the profession. You will also read about the impact of digitalization and big data, the main focus of this 2017 edition: more collaborative tools, more communication with the operational teams and more predictive analysis. All these elements should allow controllers to spend less time collecting and analyzing data and more time communicating within the company to make better decisions.

I warmly thank the Working Group and its Chairman Frédéric DOCHE, Chairman of the Management Control Group in the DFCG, as well as everyone who contributed to this observatory.

For this seventh edition, we wish you a pleasant reading.

Philippe AUDOIN
Chairman of DFCG,
Chief Financial Officer and Member of the Executive Board, Eurazeo



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1. INTRODUCTION AND SUMMARY:

FROM MANAGEMENT CONTROL TO PERFORMANCE MANAGEMENT

Presentation of the International Observatory of Management Control

The International Observatory of Management Control was launched in 2010 by the DFCG (French Association of CFOs and Financial Controllers) under the initiative of Frédéric Doche, in partnership with the consulting firm Décision Performance Conseil.

The aim of this Observatory is to better understand the different activities of the Management Controllers, the processes and methods they use, together with the tools now used by the finance world in this age of digital transformation.

Indeed, with the digital shift at work in our economy, the management control function is undertaking a profound transformation. Its role had already evolved from the swift production of reliable information to the production of value adding analyses and effective collaboration with the operational teams. Digital transformation now impacts not only the way the profession operates but also management's expectations on their role. The ability to be a consultant - an advisor - in performance management and in decision making is now essential.

Given all these challenges, the 7th edition of the International Observatory of Management Control is evolving considerably in its form and in its substance. This year, we focus on the impact of digital on the management control function and the expected changes in the profession. As a consequence, the questionnaire has been adapted. The core analysis of the Controller's methods, processes and activities has been reduced. Two chapters have been added, one dealing with the impact of digitalization on management control, including Big Data topics, the other one dealing with the evolution of the Management Controller's profession.

The working group, chaired by Frédéric Doche, Chairman of the Management Control Group of the DFCG and Founder and Chairman of Décision Performance Conseil, has managed this year again to illustrate its analysis through testimonials from several professionals of the management control function. We would like to thank all of the interviewees for their availability and contribution to a richer and more dynamic 2017 edition.

The results of the previous editions have raised great interest and have been the subject of several presentations and publications, in particular at the annual DFCG congress "FINANCIUM".

The partnering associations:

ANDAF (Italy)
CFO Club (Slovakia)
COGEREF (Tunisia)
FEI (USA)
FINEX (Philippines)
FINEXA (Poland)
IAFEI (Global)
IHM (Greece)
IMA (USA)
IMEF (Mexico)
OPWZ (Austria)
PAFE (Portugal)
Russian Club of Financial Directors (Russia)
SAIBA (South Africa)
And of course the DFCG in France.

Summary of the results

The International Observatory of Management Control, a partnership between the DFCG and Décision Performance Conseil, publishes the results of its survey for the 7th consecutive year. As every year, professionals from 20 countries and different continents (Europe, America, Asia, Africa) have accepted to answer. All company profiles (in size and revenue) and many business sectors (banking, consumer products, media, transport) are represented. Compared to 2016, we observe a stronger representation of the industry and the construction sectors and of listed and large companies.

In line with the previous edition and given its significant importance, the 2017 survey aims at measuring the impact of the digital transformation on the finance and management controlling profession. The observations of the activities of the finance executives and of the management processes are consistent with our previous analyses. People still allocate a (too) large part of their time to rather traditional tasks (such as plan and budget) while developing their role of facilitators, in particular in the context of business reviews. The time spent on reporting is still high, even though it is not considered as the most value adding activity. This year, the simplification of the budget process becomes an important priority to enable companies to become more flexible and adaptable in a context of economic uncertainty. Even though they are still a source of dissatisfaction, automation, integration and simulation remain the key priorities for the optimization of IT tools.

This 2017 edition is characterized by a significant development, namely the strong emphasis from the Management Controller on digital: in fact, 90% of the respondents are now involved in digital transformation projects, particularly in business sectors such as construction, engineering or media. The main expectations with regard to these "new" tools are: data reliability, performance management opportunities and the strengthening of collaborative work. In this area, many companies have made great progress, which is good news: the number of companies using Big Data continues to grow. This trend is expected to continue and to be confirmed in the next publications of the Observatory.

Faced with this technological revolution, the finance leader has no other choice but to adapt. As a true agent of change, the Management Controller must constantly reinforce his technical, technological and behavioral skills. In his role of supporting the leadership teams, particularly and more and more with predictive analyses, he defines himself more than ever as a "Performance Manager".

This 2017 edition is quite remarkable: the fundamentals of the profession remain relevant (for example the budget), however the controller needs to irrevocably enter into a new era, the one of Big Data and predictive analysis. Basically, nothing changes: the controller is and remains the advisor of change.

2. COMMON GROUND

Management control professionals still have very diverse titles and functions...

Plan and budget remain the No. 1 activity of management control ...

The improvement of reporting and analytical tools remains a recurring need ...

The simplification of the budgeting process is a priority ...

Introduction

Despite the predominance of service companies, the 2017 edition shows a stronger representation of the industry and the construction sectors. Most of the sample contains small and medium-size companies, but the proportion of large and listed companies has slightly increased compared to last year's edition. Four continents are represented: Europe, America, Africa and Asia. The typical respondent is a Finance & Control manager (70%), between 30 and 49 years old. As before, respondents are mostly members of professional associations.

The observations made in the previous years are still valid this year. The activities of the Management Controller remain largely the same. The production of financial data is a constant of the Management Controller's job, combined with a strong concern for process simplification. The implication of the Management Controller in Business Reviews continues to increase, a sign of a clear connection with the company's strategy.

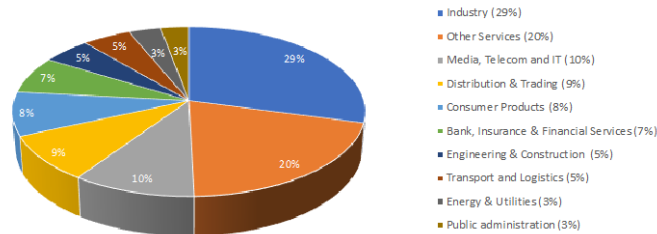
65.8% OF SERVICE COMPANIES

Profile of the companies in the sample

Breakdown of companies by sector

We observe a predominance of service companies (in the broad sense) which constitute this year 65.8% of our sample (compared to 70% in 2016). Bank and insurance and other financial services represent 7.1% (compared to 9% in 2016): the representation of this sector is decreasing. On the other hand, the industry and the construction sectors are increasing (34.2% compared to 29% in 2016). Lastly, we see a slight increase in the representation of the media and telecom sector (10% compared to 9% in 2016).

Distribution of the companies by economic sector in 2017



Company nationality

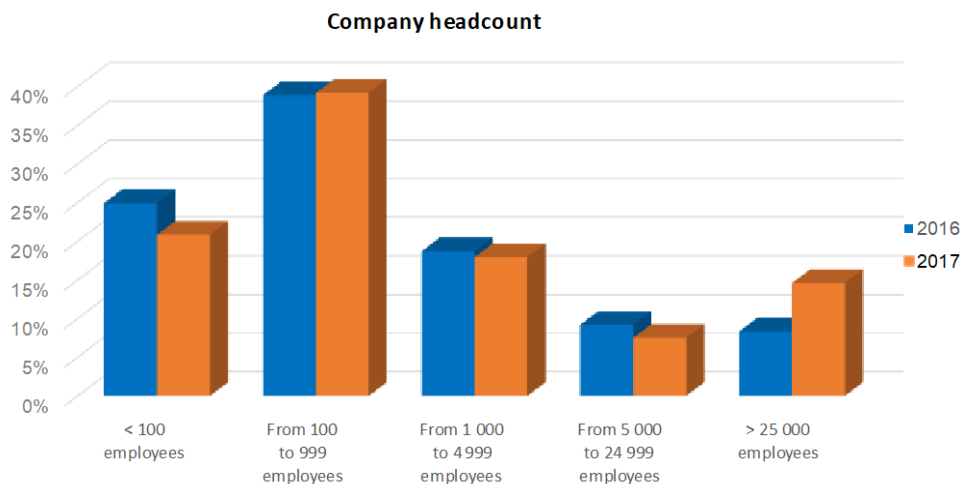
The "European" continent (Germany, Spain, Finland, France, Great Britain, Greece, Italy, Norway, Netherlands, Portugal, Switzerland, Sweden) represents 67% of the sample, America (United States, Canada, Brazil) 23%, Africa (South Africa, Algeria, Ivory Coast, Morocco, Tunisia) 8%, and the Middle East and Asia (India, Japan, Lebanon, Qatar) 2%.

Company quotation

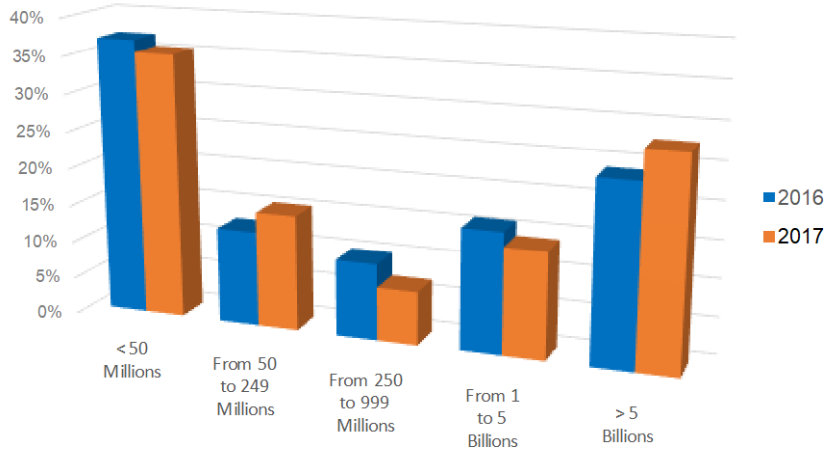
29.6% of the companies in the sample are listed. In 2016, the proportion of non-listed companies was 75% compared to 70.4% this year. This result is consistent with the size - on average higher - of the firms represented in our sample.

Revenue and headcount

Companies with less than 250M\$ of revenue represent over 63% of the sample (up by 2 points compared to 2016). Companies with less than 1,000 employees represent 60% of the sample (compared to 63% in 2016). As in 2016, the sample contains more mid size companies even if we count the listed companies (30% against 25% in 2016).



Revenue (in US dollar)



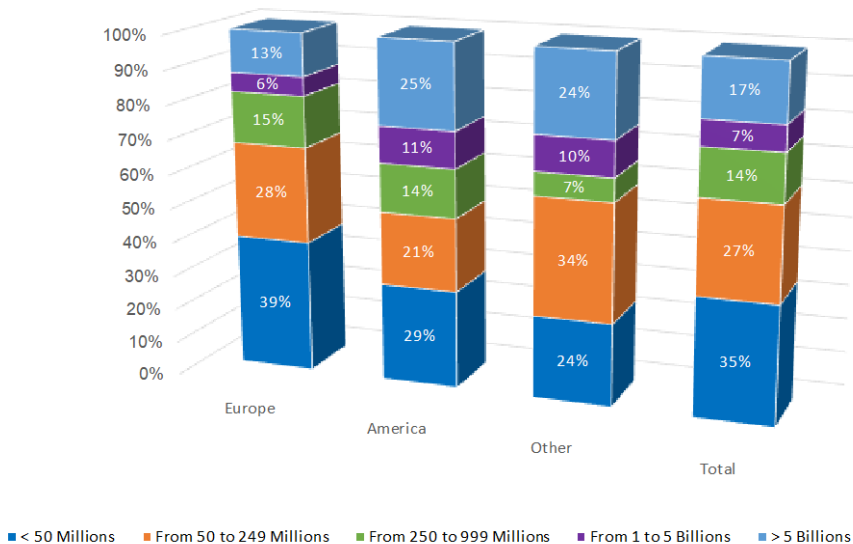
Revenue and nationality

Nearly 67% of the companies under European control have a revenue under 250M\$. Among African companies, this proportion rises to 74%. Companies under American governance show the highest proportion (25%) of very large structures with revenues over 5B\$. Middle Eastern and Asian companies mainly count companies with revenues between 50M\$ and 250M\$.

Revenue and geographical location of the respondent's company

The sample of companies located in Europe is quite diversified: there are nearly 63% of small and medium-sized organizations with revenues below 250M\$, and 37% with revenues ranging from 250M\$ to more than 5B\$. The distribution is roughly the same on the American continent: 61.5% of small and medium-sized companies against 38.5% of large organizations. Nearly 74% of respondents based in Africa work in small and medium-sized enterprises. In the Middle East and Asia, distribution is also split between small businesses and very large organizations.

Revenue by geographical area (in US dollar)



Profile of the respondents in the sample

Age of the respondents

In 2017, most of the respondents (more than 42%) are between 40 and 49 years old. Only 26% are under 39 years old. Finance and management control roles are mostly held by experienced professionals.

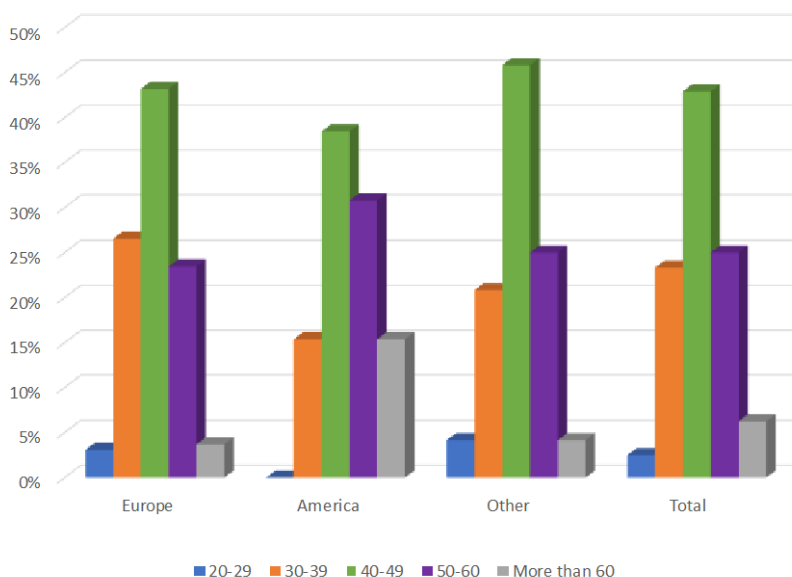
Country in which the respondents work

Most respondents are based in Europe (67.9%), while 21.7% work on the American continent. The rest is based in Africa, Asia or the Middle East.

Age of respondents and geographical area

In "European" companies, the relative majority (42%) of the respondents is between 40 and 49 years old, 26% between 30 and 39 years old and 23% between 50 and 60 years old. In companies outside Europe, the distribution is quite similar. In companies under American governance, we observe the highest proportion (31%) of management control professionals between 50 and 60 years old.

Respondents' age by geographical area

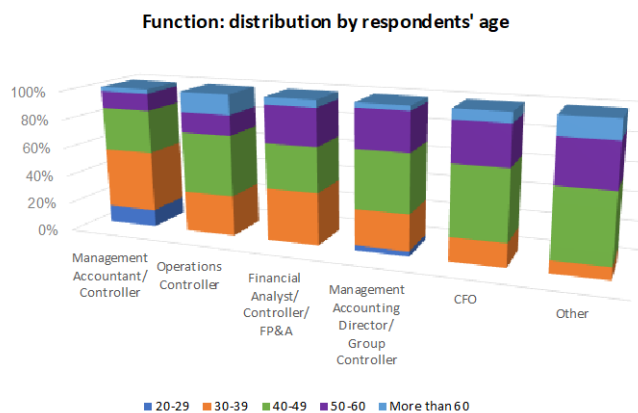


Age of the respondents and Country in which they work

The age distribution of the respondents is roughly the same regardless of the country in which they work: the vast majority is between 40 and 60 years old.

Job Title

The relative majority of our respondents (40%) are Chief Financial Officers (CFO) and 19% declare themselves Senior Management Controllers, 11% Management Controllers. The rest of the respondents are Group Controllers (6%) or Financial Analysts (4%). Among "specific" titles (10% in total), we observe quite diverse names such as: "Accountant", "Director of Internal Audit", "Business Controller", "Performance Director", "Financial Controller", "Director of Operations", "Financial Consultant", "Managing Partner" or "Partner".



Job title and respondents' age

More than 76% of the CFOs are between 40 and 60 years old. 71% of the Management Controllers are between 40 and 60 years old too. In this role, the proportion of young respondents (between 20 and 39 years old) is higher (53%). Financial Analysts (and Reporting Managers) are also quite young (37% are under 40). Group Management Controllers are older with 66.7% of them between 40 and 60 years old. Most of the operational controllers (48%) are between 40 and 49 years old. The "Partners" are usually senior (more than 40 years old). Finally, and not surprisingly, age is often correlated with the degree of job responsibility.

Job title and company nationality

In European companies, the vast majority of CFOs (77%) is between 40 and 60 years old and 49% are between 40 and 49 years old. This is the same in Africa and in Asia. In American companies, the average age of CFOs is slightly higher: 44% are between 40 and 49 years old while 32% are between 50 and 60 years old. In European companies, Management Controllers can be young

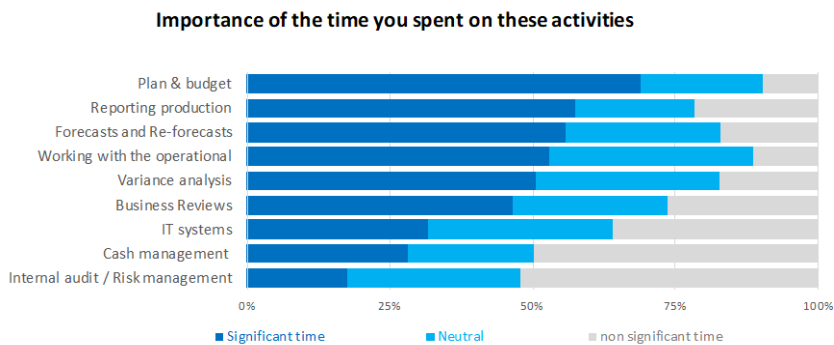
and even very young (41% are between 20 and 39 years old) which is less common for companies with other nationalities.

Membership to professional associations

Globally, respondents are members of professional associations, whether in Europe, Africa or America. AICPA, DFCG, IMA and others (CIMA, IMEF, IHM, PAFE, SAIBA, FEI ...) are represented. All ages from 30 to over 60 are represented.

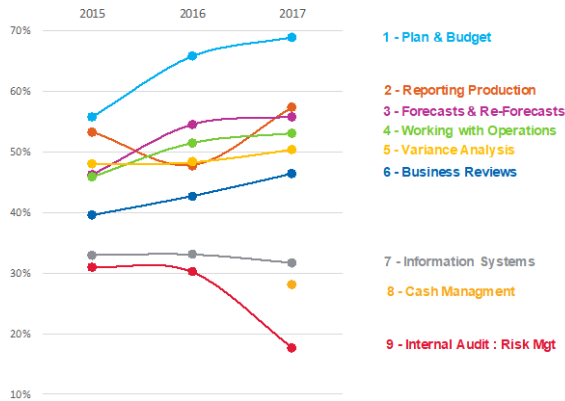
Plan and budget remain the main activity

Improved medium-term visibility is one of the main concerns in a complex and uncertain environment. The below table shows that about 70% of the respondents invest a significant amount of time to planning and budgeting activities, which remains the number one activity, as in 2016 and 2015.



Reporting is back to the second place, as in 2015, right before re-forecasting and the work with operational teams.

Evolution of the importance of the time you spent on these activities

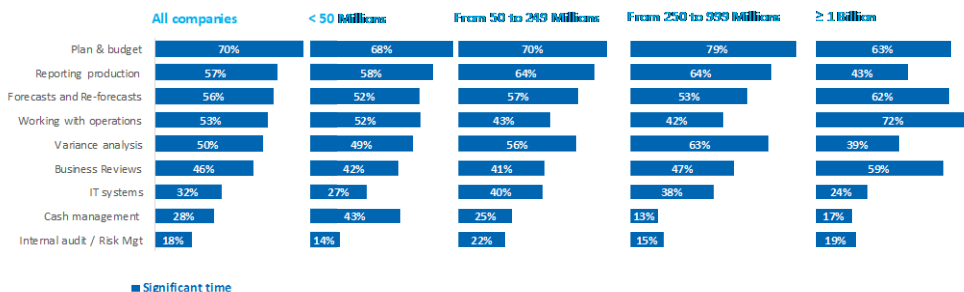


Internal control comes last: this confirms a trend observed in 2016 and 2015 and it is potentially due to the fact that, in a large number of companies, control procedures have already been implemented (see our 2016 edition).

More time spent with operational teams and in business reviews

Even if the bulk of the time is still spent on the production of data (plan and budget, reporting), the time spent on working with operational teams and on business reviews increases year after year.

Moreover, an analysis by company size shows that Management Controllers in very large companies (i.e. with revenue greater than 1B\$) allocate more time to the operational teams (72%) and to business reviews (59%).



Note the importance of the re-forecasting activity in very large companies (62%) and particularly in listed companies. This seems logical given the risk of disappointing analysts' expectations - something which can significantly impact the stock price. Therefore, listed companies seem to invest more time in the communication of forecasts for the fiscal year or for the next quarters. Even more so, the choice to move from a classical calendar budget process to a “rolling forecast” process, where (re-) forecasts over several quarters replace the budget, may impact this statistic.

In addition, we observe that very large companies spend less time on reporting and tend to obtain their full reporting faster. This finding is undoubtedly linked to the many “fast close” initiatives and to the continuous improvement efforts of the reporting process.

Finally, one remark on the important amount of time allocated to treasury activities (43%) by Management Controllers in companies with a revenue below 50M\$. In these smaller organizations, the Management Controller’s role is probably less specialized and she needs to be able to operate on a wider range of activities.

The time spent on reporting slows down the development of higher value adding activities

Importance of Added Value compared to time spent

By comparing the added value from different activities with the time spent on them, we note that the work with the operational teams is perceived as an activity with very strong added value; yet Management Controllers do not seem to be able to allocate more time to this activity in the real world.

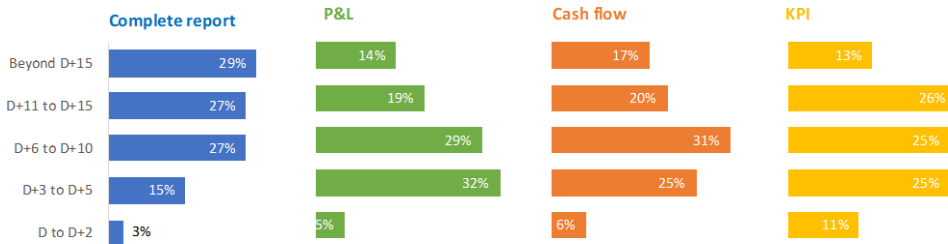
On the other hand, reporting is perceived as only moderately value adding and yet the time spent on it is very important.



Delays reduction projects are stable

Publication deadlines remain stable vs. last year, after having increased strongly between 2015 and 2016. The time allocated to production remains important.

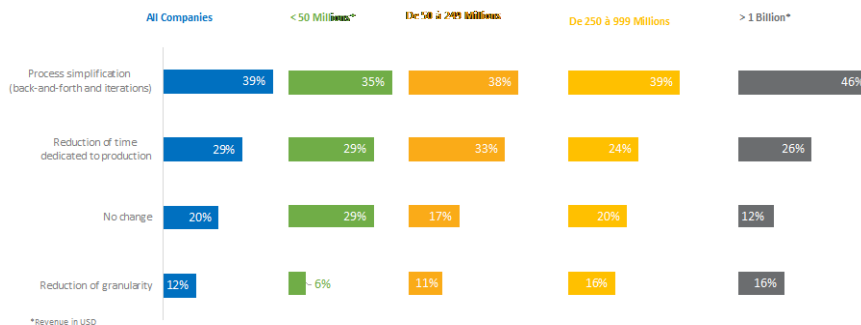
Reporting deadlines



Note that large and listed companies, under the constraint of information requests from the financial markets, tend to complete their reporting faster than non-listed companies. The reporting is finalized in less than 10 days for 55% of the listed companies compared to 38% for non-listed companies.

Simplifying the budget process

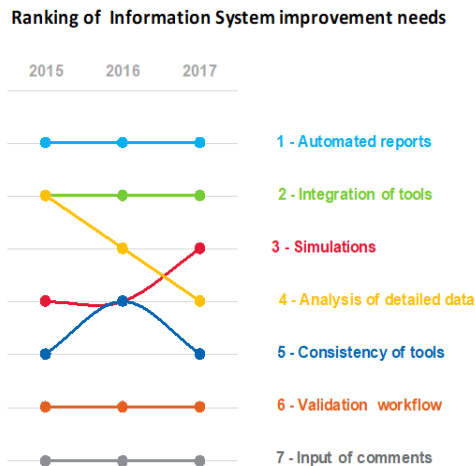
After a shortening of the deadlines year after year, it is noteworthy that in 2017, 39% of the respondents plan to change their budget process. The main objective is to simplify it by reducing the number of iterations. This observation, which seems quite generalized, regardless of the size of the company, is even more significant in organizations with revenue exceeding 1B\$. Those organizations are probably more often concerned by the implementation of major process reengineering projects. In addition, the need for simulations forces companies to simplify their budget model.



The simplification of the budget process is cited by 48% of the companies in the American region vs. 36% in the European region. Simplification is cited twice as often as the shortening of the budget production time.

The needs for IT systems improvement

We observe a stability in the needs of improvement of the functionalities of Management IT systems. The top 3 needs (automated reports, integration of tools and simulations) have not evolved much over the last three years albeit the need for simulations has increased between 2016 and 2017.



Automated reports are by far the first requirement and need. They have been standing out from other needs for three consecutive years. These automated reports requirements are found in the recent evolution of business intelligence ("BI") tools which offer automated reporting on phone or tablet.

It is surprising to note that the insertion of comments is in the last position in the list of requests. In 2017, 81% of respondents want to improve their reporting tools; only 21% express the desire to amend the insertion of comments in the tools. It seems that the added value of reporting lies more in the analysis of data than in the production of numbers. To explain this lack of interest, it is fairly possible that respondents appear to have difficulties integrating unformatted data into highly structured BI tools.

For the majority of the respondents, there are many areas for improvement. In the questionnaire 7 choices were proposed. On average, they selected 3.5 areas of improvement. The number of companies that do not wish to improve remains marginal: between 2% and 4% from 2015 to 2017.

The requests for improvement of the analysis capabilities are different according to the size of the companies:

- They are moderate for small companies. The limited volume of data to analyze explains this situation.
- Medium-sized companies are the most demanding of improvements as they need to complement their analytical tools.
- In large organizations, requests are more limited. They have often been on the frontline for deploying tools and many of their needs for sophisticated analytical tools are satisfied.

The results of the 2017 survey confirm our intuitions:

- The need to improve simulation tools is mainly felt in listed companies who have to supply financial markets with forward-looking financial data.
- The larger the companies, the less they need to improve the homogeneity of their data. This is potentially a consequence of the age of the installation of Extract Transform Load (ETL) tools in large structures.

The requests for improvement of IT systems tools depend on the perceived value of the activity to perform

We have compared the needs of improvement of the tools with the activities considered to bring a high added value:

High added-value in performance management	Requests for improvement of Management Information Systems (MIS)	
	Strong need	Weak need
Reporting production	Input of comments.	Simulation. Validation workflow.
Plan & budget	Needs equal to respondents' average.	
Variance analysis	Analysis of detailed data. Input of comments.	
Forecasts and Re-forecasts	Input of comments.	
Business reviews	Analysis of detailed data. Input of comments.	
Working with the operational teams	Simulation.	
IT systems	Input of comments. Validation workflow.	
Internal audit / Risk management		Validation workflow.
Cash management		Consistency of tools. Analysis of detailed data.

Two interesting facts stand out:

- We have seen previously that the need for automated reporting and integration of tools represented the strongest demand for improvement. These needs do not appear any longer as differentiating items when we look at the needs through the prism of added value. This reflects a more general dissatisfaction towards the tools concerning data production, regardless of the performance management activity.
- For respondents who value planning and budgeting activities, there is no specific need for steering tools. Thus we can question the level of integration of planning data with business management tools in the companies present in our sample.

3. DIGITAL AND MANAGEMENT CONTROL

9 Controllers out of 10 are involved in Digital transformation projects

Data quality is the main expectation of digital transformation projects

Within 3 years, 52% of the respondents expect to use Big Data tools

Corporate Performance Management tools are a clear investment focus for the next 3 years

Introduction

In recent years, the entire economy has been disrupted by the emergence of digital. It affects both professional and personal practices, some nourishing others and vice versa. The transfor-

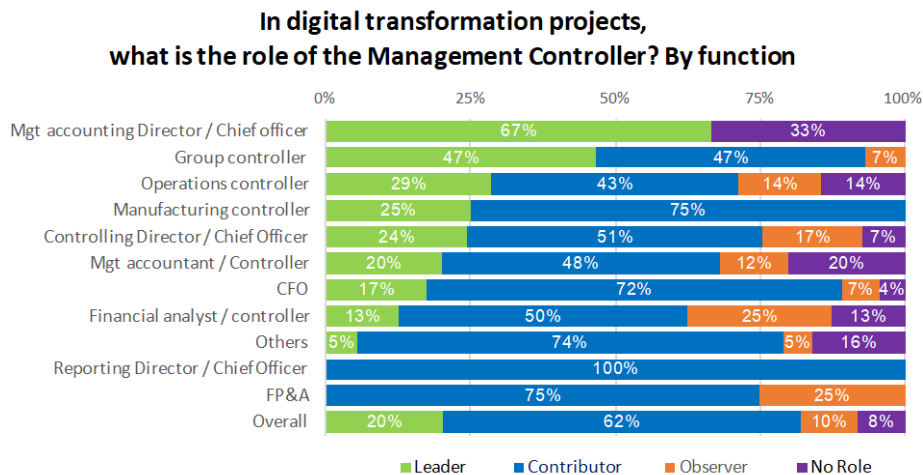
mation induced by new technologies disrupts the everyday life of companies and may even impact their stability. Today, we are only at the beginning of this economic revolution and it is still very early to conceptualize it in an exhaustive way. Organizations and their support functions still have difficulties in assessing the full potential of these technologies and in taking full advantage of them. The Management Controller, given its role in piloting the performance of the company, is at the heart of this digital revolution.

Who should drive the digital transformation and for what benefits? How to implement and support it? What is the vision and the role of the Management Controller in this transformation? In this part of the study, we attempt to provide answers to these questions.

The role of the Management Controller in digital transformation projects: Observation 1

The involvement of the Management Controller

Management Controllers are usually involved and active in digital transformation projects (90% of the cases). Their role has become more and more important compared to 2016, where only 60% of them confirmed their active role in these projects. It appears that the "contributor" role is growing (more than 62% of the answers compared to 41% last year). In America, Management Controllers have clearly taken the lead, with 31% of them being project leaders compared to only 17% in Europe and 20% on average.



"In agile software design, the Management Controller is involved side by side with developers in each sprint: it is the

only guarantee to obtain, within three months, a solution that meets the key requirements"

Stéphane JOHAN, Performance Control Director, RCI – France

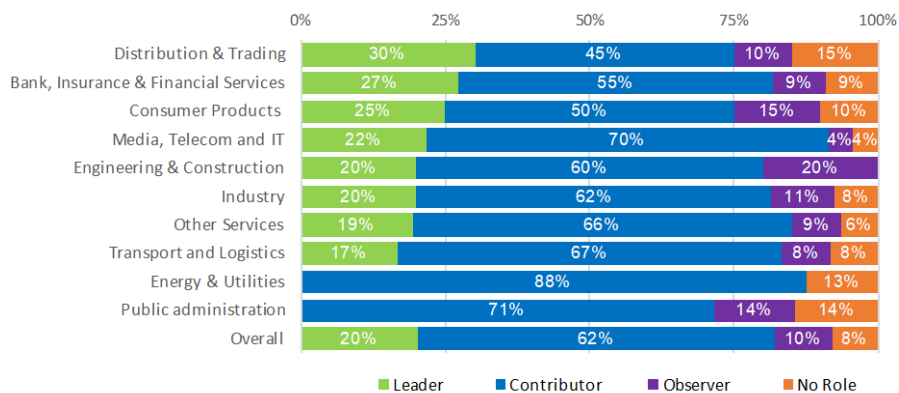
Their role

While in 2016 41% of the respondents of companies with less than 100 employees declared that they were not actively involved in Digital Transformation projects, in 2017 this is the case for less than 4% of them. The greatest change is in the level of "contributor" activity (62% in 2017 vs. 34% in 2016).

In the Distribution and Trading sector, Management Controllers have become less involved (85% vs. 92% on average) while at the same time they are assuming more responsibilities (30% of leadership vs. 20% on average).

For the two sectors of Engineering & Construction and Media, Telecom & IT, Management Controllers report themselves as being more regularly involved (respectively 100% and 96% of respondents declaring themselves as active).

In Digital transformation projects, what is the role of the Management Controller? By sector

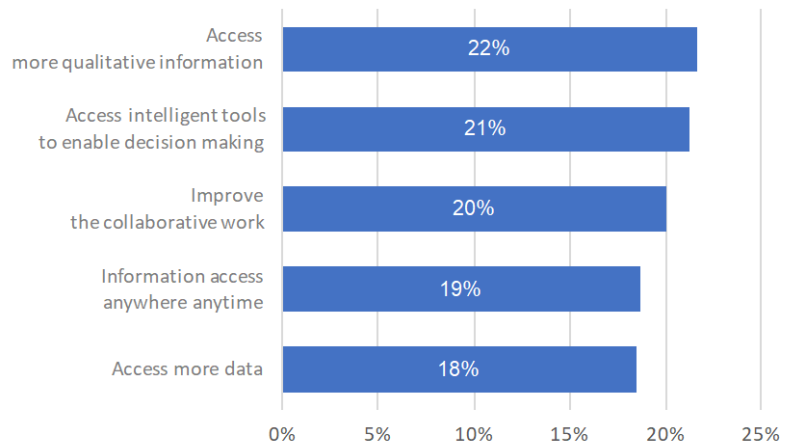


Expected outcomes from digital transformation projects: Observation 2

For 76% of the respondents, the two most important objectives of digital transformation projects are to gain access to new and relevant decision support solutions and to access more qualitative information.

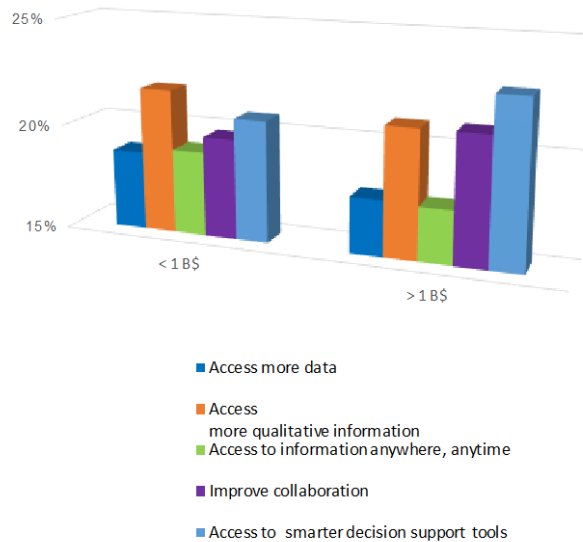
On the other hand, unlimited data access and the ability to access more data are not major expectations from Management Controllers (only 50% of the respondents considering these two outcomes to be important).

Digital Transformation Projects : Priority list for Management Controllers



Company size appears to strongly determine expectations in terms of data quality and access to decision support systems. Indeed, the majority of the organizations with less than 1B\$ revenue expect to obtain more reliable information thanks to digital transformation projects, while large organizations (more than 1B\$ revenue) expect the support from intelligent tools to help them make better decisions. In addition, the larger the company the higher the reported expectation that digital transformation projects can help improve collaboration between teams.

**Digital Transformation Projects :
Priority list for Management Controllers by company size**



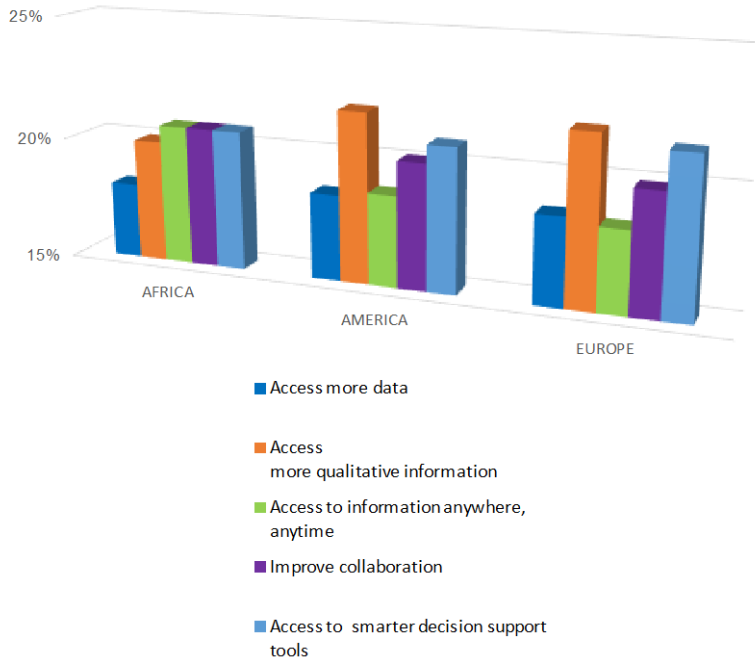
*"Measuring performance in its multiple aspects: competi-
tion, internal objectives, time..."*

*The Management Controller must be able to synthesize and
put performance in perspective"*

Pascal NICOLAS, Performance Management and Management Control Director – Groupe TF1

In terms of regional differences, the expectations are very similar in Europe and America. How-
ever Africa differs considerably, reporting the same level of interest in accessing more data,
improving collaboration and accessing decision support solutions.

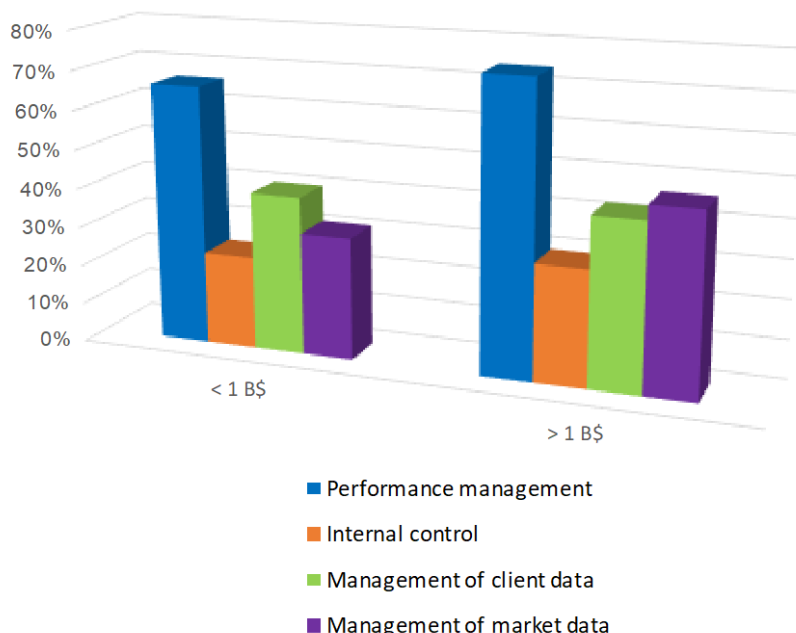
**Digital Transformation Projects :
Priority list for Management Controllers by geographic area**



Big Data and the expectations of the Management Controller: Observation 3

On average 68% of the respondents consider Performance Management to be the main objective of Big Data projects. This proportion increases to 74% for respondents from large organizations (more than 1B\$ revenue).

Main objectives of Big Data projects by company size

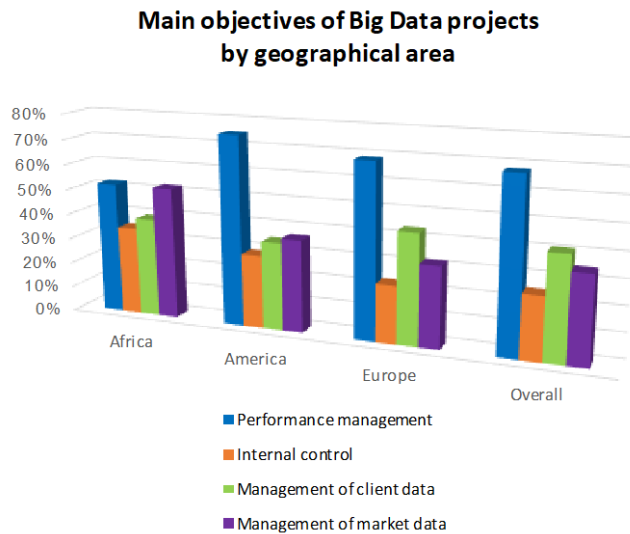


The larger the organization the higher the interest for Big Data projects to improve internal control (more than 30% of companies with more than over 1B\$ revenue compared to 24% for smaller companies). Similarly, the management of market data is clearly driven by company size: large organizations (more than 1B\$ revenue) rank the improvement of market data management in second position (46%), while smaller companies have it in third position (31%).

*"Our systems already
allow us to answer the majority of our questions,
but the acceleration of projects and the arrival of digital
force us to constantly complement and adapt our tools to
improve detailed data analysis and to continuously gain in
agility and in efficiency"*

Alain DAVID, Head of Management Control, Mac Donald's – France

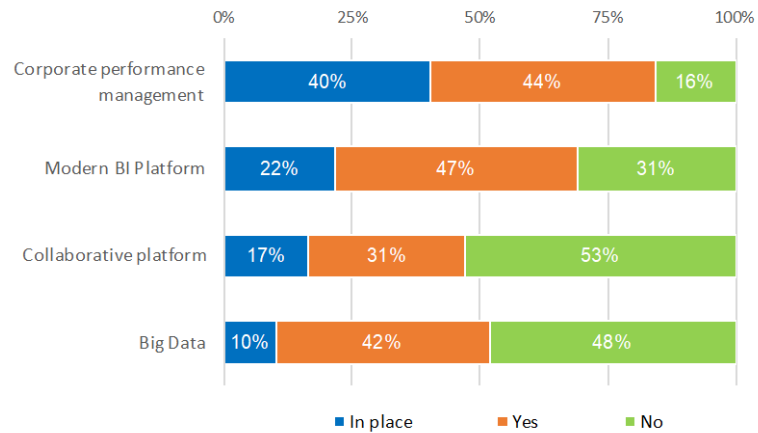
Again, America and Europe show a similar pattern, while Africa ranks Performance Management and Management of Market data as equivalent (52% of the respondents).



Tools: Big Data is gaining momentum

Compared to 2016, the percentage of respondents using Big Data doubled from 5% to 10%. This trend is expected to keep growing given the reported intention to develop Big Data (42% of respondents in 2017 vs. 40% in 2016).

Tools adoption over the next 3 years



In general, Management Controllers are enthusiastic users of IT systems: 95 % are considering to roll out at least one of the following new tools (by ascending order): a collaborative platform, Big Data, Corporate Performance Management platform and – the most desired - a modern BI platform.

"Management Controllers must be involved in the design of IT systems"

Sébastien Ritleng, Management Controlling & Planning Director, Unibail-Rodamco – France

4. EVOLUTION OF THE PROFESSION: FROM THE MANAGEMENT CONTROLLER TO THE PERFORMANCE MANAGER

The development of technical and behavioral competences is a priority for the efficiency of management control...

The Controller is becoming
of corporate

65% of the respondents predict an increase
in the demand for predictive analyses...

Predictive analysis is in the second
position of the methodologies
already in place or considered for
implementation after the rolling

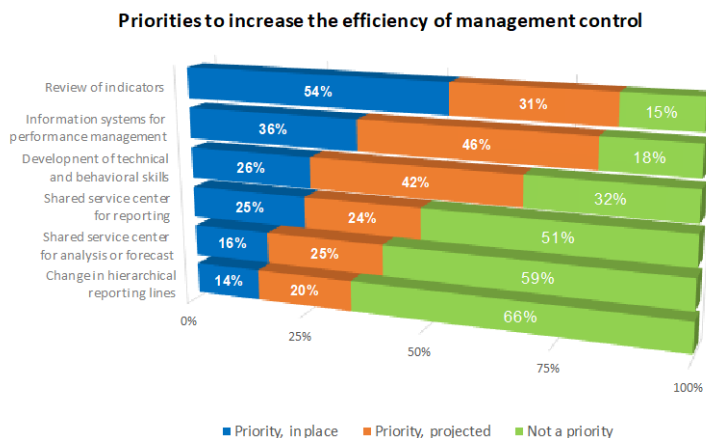
"Performance Manager": the
best title for the future
Management Controller
according to 67% of the
respondents.

Introduction

In a context of technological disruption where automation may be the next step in the digital transformation of management control, what are the challenges to tackle to continuously add value? In this section we will look at how professionals perceive the evolution of management control. What actions are favored to increase its efficiency? What competences are seen as essential today and in the coming years? What type of analyses will Controllers have to perform more often in the near future? What new methodologies will be implemented? As we will see, the results of the 2017 survey are largely in line with those of 2016 and paint the picture of a profession undergoing a significant transformation.

Management control efficiency improvement: KPIs, IT systems and competences as key priorities

The priorities to improve the efficiency of management control are mainly (i) the review of the KPIs (a priority for 85% of the respondents) (ii) the implementation of IT systems dedicated to performance management (82%) and (iii) the development of the technical and behavioral skills (68%).



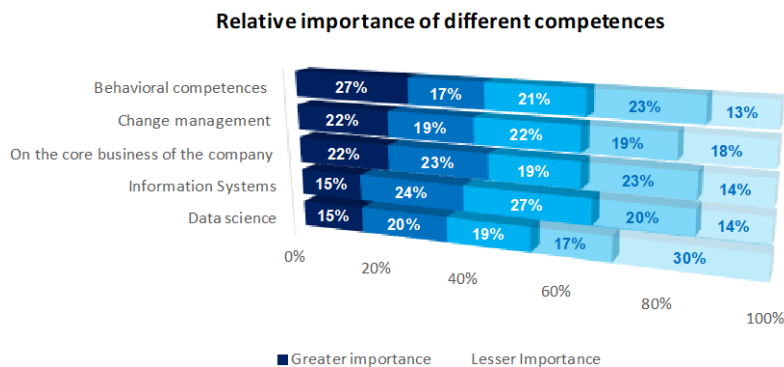
A majority (64%) of the respondents citing the review of the indicators as a priority (their relevance, their simplification) has already implemented it.

The review of the KPIs is as important for large companies as it is for small ones. However, large companies have gone further in implementing it (65% of the respondents from companies with more than 25000 employees vs. 46% for those with less than 100 employees). Similarly, the implementation of IT systems supporting performance management is a priority both for large (84% of the respondents from companies with more than 25000 employees) and smaller structures (83% of the respondents from companies with less than 100 employees). Maybe because of the resources they have access to, larger organizations have gone further in implementation: 48% of those with more than 25000 employees have implemented the necessary tools against 30% of those with less than 100 employees.

Amongst those who see the development of technical and behavioral skills as a priority, only 38% think that the actions required to support the development of these skills, or these skills themselves, are in place in their organizations. Improvements on this front will require efforts by finance functions, human resources departments, educational institutions and of course the Controllers themselves in the years to come.

The evolution of the competences: going beyond the production of data

In the list of competences proposed in the 2017 survey, "being on the core of the business" is perceived as the most important competence for the Controller, with more than 40% of the respondents attributing it the two highest scores on the proposed scale. This is in line with the idea of the Controller as a business partner. But from "business partner", the Controller has to become an actor of the transformation of her company: the ability to manage change and the behavioral skills required for this come in second position. In a context where data production is getting more and more automated, one can assume that innovativeness, leadership, creativity and the ability to convince are qualities that Controllers will need to master to go beyond mere variance analysis and the production of reportings.



Given the increasing demand for predictive analyses (see below), it can be surprising that competences in data science are not deemed more important. This could be explained by a too large gap between the traditional competences of the Controller and those of the data scientist (statistics, programming). Maybe the Controller does not see herself in the future as a producer of algorithms and programs but more as an expert in the selection and deployment of these solutions. That being said, it would not be surprising to see this competence becoming more important in future surveys.

"More than a business partner, the Management Controller has to become not only a business player but also a game changer"

Véronique Hamon, Finance Director, Mc Donald's - France

The evolution of the analyses demanded: predictive analysis, a predictable evolution

The estimation of the type of analysis that the Controller will have to perform in the coming years is an interesting indicator of the evolution of the profession.

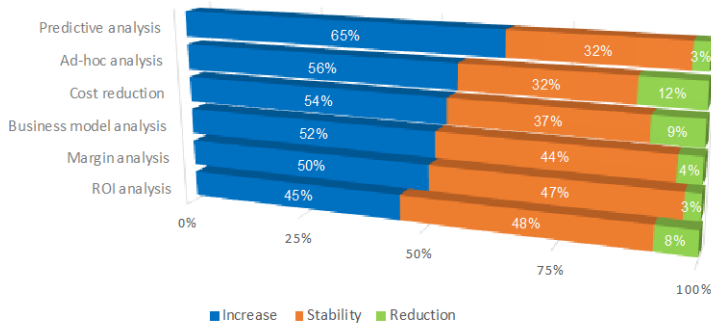
As observed in 2016, the type of analysis which should increase the most is the predictive analysis. However, whereas in 2016 predictive analysis was primarily deemed to be "increasing", in 2017 it is mostly seen as "stable". This might be explained by the execution of the projects anticipated back in 2016. Larger companies are the ones anticipating more demand for predictive analyses: 72% of the respondents in companies with more than 25000 employees vs. 56% of those in companies with less than 100 employees. Geographically speaking, the increase in demand for predictive analyses is the same in Europe and in America. However the number of answers from APAC (3) and Africa (11) is too small for the result to be significant.

Like in 2016, in a context where all types of analysis are increasing, it is for those related to cost reduction and ROI that the respondents anticipate the biggest reduction in demand, 9% and 8% respectively.

"In contexts of hyper-growth it is important to revisit traditional management control methods and adapt them to the challenges faced by the company"

David Grimbert, Head of Financial Planning & Analysis, BlaBlaCar – France

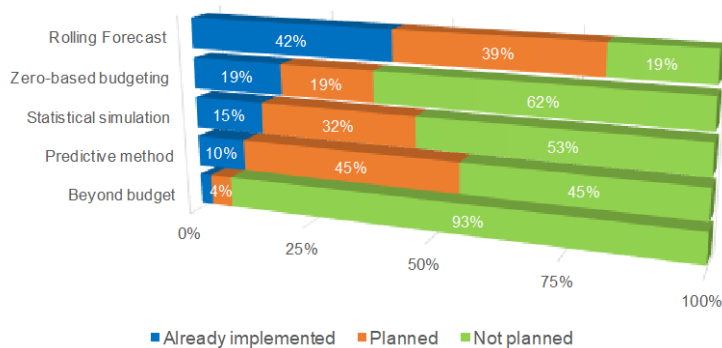
Evolution of the type of analyses demanded



The evolution of the methodologies: the rolling forecast does not replace the budget

Logically, given the anticipation of a higher demand for predictions, Big Data methods such as statistical simulation and predictive methods are planned to be implemented by respectively 32% and 45% of the respondents, becoming more popular than Zero-Based Budgeting ("ZBB"). The implementation of predictive methods is not more advanced in public than in private companies. In fact, according to the respondents, 61% of the private companies have already implemented or plan to implement these methods vs. 53% of the public companies. However, it is in large organizations that these methods are most often already in place: 71% of the companies with more than 25000 employees vs. 49% of those with less than 100 employees.

Implementation of new methodologies



Concerning more traditional methods such as Zero-Based Budgeting or Rolling Forecasting, only the latter one is already in place (42%) or planned (39%). However, 93% of the respondents do

not plan (yet?) to abandon the Budget, maybe because of the practical challenges that would arise when transitioning to the "Beyond Budget" model.

"The Controller has to break existing paradigms to enable her company to capture business opportunities"

Eric Rochereau, CFO and CIO, Lauak, France

Towards a new title for the Controller: the Performance Manager

Based on the evolution of the competences required, it is rather natural to observe that, for the majority of the respondents (67%), the most suitable future title for the Controller would be "Performance Manager". This result confirms the observations made in 2016.

"The Controller may suffer from a poor image"

Nicolas Berland, Professor of Management & DRM Director, University Paris-Dauphine - France.

In the near future, one could imagine that the implementation of IT tools capable of producing data fast and accurately, but also to handle predictive analytics increasingly accurately with each iteration, would empower the Controller, by then **Performance Manager**, and enable her to focus on being an expert of these systems and on using them to initiate and pilot change to drive performance: **From Management Controller to Performance Manager**.

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